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May 21, 2018

**VIA ELECTRONIC FILING**

The Honorable Jocelyn G. Boyd  
Chief Clerk/Administrator  
Public Service Commission of South Carolina  
101 Executive Center Drive  
Columbia, South Carolina 29210

RE: SolAmerica SC, LLC and Edgefield County S1, LLC - Request for  
Modification of an Interconnection Agreement for Solar Project  
located in Edgefield County, South Carolina  
Docket No. 2018-163-E

Dear Ms. Boyd:

Enclosed for filing, on behalf of South Carolina Electric & Gas Company is a Petition to Intervene, Response in Opposition to Request for Modification, and Response in Opposition to Motion to Maintain Status Quo in the above-referenced docket.

By copy of this letter, we are serving counsel for the parties of record with a copy of the enclosed documents and attach a certificate of service to that effect.

If you have any questions, please advise.

Very truly yours,

Matthew W. Gissendanner

MWG/kms  
Enclosures

cc: Jeffrey M. Nelson, Esquire  
Dawn Hipp  
Richard L. Whitt, Esquire  
(all via U.S. First Class Mail and electronic service w/enclosures)

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**SCE&G's Petition to Intervene,  
Response in Opposition to Request  
for Modification, and Response in  
Opposition to Motion to Maintain  
Status Quo**

Grace M. Seng

**BEFORE THE**  
**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA**  
**DOCKET NO. 2018-163-E**

|  |   |                       |
|--|---|-----------------------|
| SolAmerica SC, LLC and Edgefield County    | ) |                       |
| S1, LLC - Request for Modification of an   | ) |                       |
| Interconnection Agreement for Solar        | ) | Petition to Intervene |
| Project located in Edgefield County, South | ) |                       |
| Carolina                                   | ) |                       |
|  | ) |                       |

Pursuant to 10 S.C. Code Ann. Regs. 103-825(A)(3), South Carolina Electric & Gas Company ("SCE&G" or "Company") hereby petitions to intervene as a party of record in the above-referenced proceeding. In support of its Petition, SCE&G hereby shows the following:

1. SCE&G is an electrical utility subject to the jurisdiction of the Public Service Commission of South Carolina ("Commission").

2. Corporate legal counsel for SCE&G in this proceeding are as follows:

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220 Operation Way  
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Private legal counsel for SCE&G in this proceeding is as follows:

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All correspondence and any other matters relative to this proceeding should be addressed to these representatives.

3. On May 9, 2018, SolAmerica SC, LLC and Edgefield County S1, LLC (“Solar Developers”) filed with the Commission a Request for Modification, requesting modification of an interconnection agreement between SCE&G and SolAmerica SC, LLC (Interconnection Agreement”), effective October 4, 2016, for a 10 MW AC solar project to be located in Edgefield County, South Carolina.

4. On May 9, 2018, Solar Developers also filed with the Commission a Motion to Maintain Status Quo, moving that the Commission enter an order that Solar Developers’ rights under the Power Purchase Agreement between SCE&G and Edgefield County S1, LLC (“PPA”), effective April 9, 2018 (“Effective Date”), be preserved and that Solar Developer may post the \$450,000.00 collateral, nominally due on May 9, 2018, within thirty (30) days of this Commission’s future Order on the Request for Modification.

5. Intervention is timely. Solar Developers have not served either the Request for Modification or the Motion to Maintain Status Quo on SCE&G. No notice has been published.

6. SCE&G cannot adequately be represented by any other party to this proceeding.

7. SCE&G has a direct and real interest in the Commission's consideration of Solar Developers' Request for Modification because SCE&G is a party to the Interconnection Agreement, which is the basis for the Solar Developers' Request for Modification.

8. SCE&G also has a direct and real interest in the Commission's consideration of Solar Developers' Motion to Maintain Status Quo in the above-referenced docket because SCE&G was a party to the PPA which is the basis for Solar Developers' Motion to Maintain Status Quo.

9. SCE&G opposes Solar Developers' Request for Modification, which requests that the Commission modify the Interconnection Agreement for a second time and to improperly again extend the Milestones under that Agreement. Pursuant to Appendix 4 of the Interconnection Agreement, Requestors' Requested Interconnection Facilities In-Service Date was December 8, 2017. On September 8, 2017, Requestors requested and received an extension of the In-Service Date to June 30, 2018, for additional time to complete Milestone 4, among other things. A further extension is not mandated or warranted under the Interconnection Agreement and would not be fair to others with later interconnection queue positions.

10. SCE&G also opposes Solar Developers' Motion to Maintain Status Quo which is really a request for this Commission to retroactively alter the terms and conditions of the now-expired PPA. Solar Developers were required under the PPA to post the Development Period Credit Support within 30 days of the Effective Date of the PPA. By its own terms, the PPA is now terminated due to Movants' failure to post this credit support.<sup>1</sup>

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<sup>1</sup> On May 17, 2018, Solar Developers filed a Request for Expedited Consideration of Pending Motion to Maintain Status Quo, arguing that SCE&G "terminated the IA." SCE&G has not terminated the IA. SCE&G's May 10th correspondence to Solar Developers noted the termination of the PPA. As set forth herein, Solar Developers' failure to post the Development Period Credit Support nullifies the PPA and automatically terminates the Agreement without any further action on the part of SCE&G.

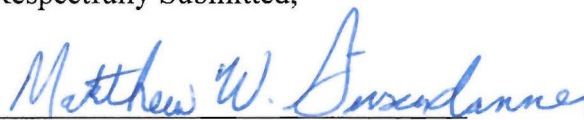
11. SCE&G's responses to the Request for Modification and Motion to Maintain Status Quo and its presence in this proceeding will provide the Commission and its staff relevant information to form a complete record upon which the Commission will make its decision.

**CONCLUSION**

For the reasons stated above and pursuant to 10 S.C. Code Ann. Regs. 103-825(A)(3), SCE&G respectfully petitions the Commission to intervene in this proceeding and to respond to the Request for Modification and the Motion to Maintain Status Quo as a party to this proceeding.

[SIGNATURE PAGE FOLLOWS]

Respectfully Submitted,



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***Attorneys for South Carolina Electric &  
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Cayce, South Carolina  
May 21, 2018

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## BACKGROUND

Movants plan to construct a 10 MW solar generating facility that will be a Qualifying Facility (“QF”) as defined by Federal Energy Regulatory Commission (“FERC”) Regulation 18 C.F.R. § 292.204. Movants plan to sell the output of this facility to SCE&G. Movants entered into an Interconnection Agreement (“IA”) with SCE&G on October 4, 2016. Recently, Movants executed a separate PPA with SCE&G on April 9, 2018, wherein Movants were bound by law and by the terms of the PPA to act in accordance with the principles of good faith and fair dealing. *See, e.g.,* Section 15.8 of the PPA filed in Docket 2018-129-E and incorporated by reference herein. Now, a mere 30 days after entering into the PPA and only 14 days after its acceptance for filing by the Commission, Movants filed the Motion to delay a required credit posting under the PPA.

Section 9.3(a) of the PPA clearly provides:

The Development Period Credit Support shall be posted within thirty (30) calendar days of the Effective Date of this Agreement; provided, however, that **if such Development Period Credit Support is not posted within thirty (30) calendar days of the Effective Date of this Agreement, this Agreement shall become null and void and deemed to be terminated**, without liability of either Party to the other Party under this Agreement, as of the thirty-first (31<sup>st</sup>) calendar day following the Effective Date of this Agreement.

(emphasis added)

Under the plain terms of the PPA, if the Development Period Credit Support is not posted within 30 days of the Effective Date of the PPA, then the PPA becomes null, void, and terminates the following day. Movants failed to post the Development Period Credit Support within 30 calendar days as admitted in the Motion and Movants’ Request for Modification, which Movants incorporate into their Motion. Therefore, by operation of the express terms of Section 9.3(a), the PPA automatically became null and void and deemed to be terminated without any action on the part of SCE&G to terminate or nullify the Agreement.

## ARGUMENT

Movants' Motion is not based in fact or law and fails to articulate a basis for "maintaining the status quo" when doing so directly conflicts with the terms of the PPA.<sup>2</sup> As an initial matter, Movants' Motion does not present "a concise and cogent statement of the facts" to the Commission or otherwise provide appropriate grounds to grant the requested relief. *See* 10 S.C. Code Ann. Regs. § 103-829; *see also* South Carolina Rules of Civil Procedure ("S.C.R.C.P.") § 7(b)(1) (motions should "state with particularity the grounds therefor, and ... the relief or order sought."). Movants ultimately assert no facts or arguments at all in support of their Motion. Because of Movants' failure to allege facts and provide any basis for relief, the Commission should deny the Motion as a matter of law.

Assuming, *arguendo*, that Movants had stated with particularity the grounds for relief, which they did not, there is no basis for relief as a matter of law. From the plain reading of the language in Section 9.3(a) of the PPA, it is clear that Movants' failure to post the Development Period Credit Support within 30 days voids, nullifies, and terminates the PPA. The PPA by its own terms terminates, without any required action on the part of SCE&G to terminate or nullify the Agreement. Movants' unilateral failure to post the Development Period Credit Support terminated the PPA.

Movants contend in their Motion that an extension of time under Section 9.3 is needed to "align the Project completion date in the [PPA]...and that certain Interconnection Agreement,

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<sup>2</sup> Ironically, Movants seek to preserve the "status quo" with a request that the Commission "should Order that Movants' rights under the Power Purchase Agreement shall be preserved and that, Movants may post the \$450,000.00 collateral, nominally due on May 9, 2018, within thirty (30) days of this Commission's future Order on the Request for Modification." Movants' Motion masquerades as a motion seeking to maintain the "status quo," but once unmasked Movants' Motion is revealed for what it really is—a motion seeking to change the terms of the PPA and the operation of the automatic voiding of the PPA under Section 9.3.

between the Movants and SCE&G....” First, the PPA does not provide for extension for the posting of security—in fact, Section 9.3(d) permits Movants to change the form of the Development Period Credit Support only when other criteria of the PPA have been satisfied and provided that the Support “shall at all times satisfy the requirements of [the PPA].” The desire to align the time periods of these contracts does not constitute grounds for or a defense of failure to post the required security. The IA and the PPA are two separate agreements. Indeed, Section 15.5 of the PPA states: “[t]he Agreement, together with all Attachments, constitutes the entire agreement between the Parties relating to the transaction described herein and supersedes any and all prior oral or written understandings.” Conforming the dates of two separate agreements is not appropriate or necessary in this circumstance, particularly where the Parties just executed the second contract. **If Movants felt this was necessary, they should have raised this during the negotiation of their PPA or raised it with the Commission when the PPA was recently filed;<sup>3</sup> SCE&G would have been more than willing to accommodate Movants and execute the PPA with a Completion Deadline that matched the earlier IA deadline so it would not harm or disadvantage other customers later in the interconnection queue.**

It should be noted that in a separate filing Movants are requesting more time to start work on their Milestone commitments under the IA. *See* Movants’ Request for Modification at page 2.<sup>4</sup> SCE&G previously granted Movants one extension of time to start work on their Milestone tasks but Movants failed to initiate any work. Movants now seek a second extension under the IA through their Request for Modification. Movants rather remarkably complain to the Commission that SCE&G’s failure to give a second extension for them to *start* their work under the IA is the

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<sup>3</sup> Section 4.6 of the PPA allowed Movants to align the PPA and the IA by moving the Commercial Operation Date Deadline forward and completing the project early.

<sup>4</sup> *See also* SCE&G’s Response in Opposition to Request for Modification filed in this docket on even date herewith.

reason they did not perform under the PPA. Movants should not be allowed to use their failure to perform under the IA to justify and excuse their failure to perform under the PPA.

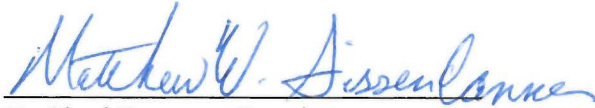
Movants' self-serving basis to extend the time by which they must make the Development Period Credit Support under the PPA, a mere 30 days after agreeing to such terms, demonstrates that Movants did not negotiate and enter into the PPA in good faith, an explicit requirement under the PPA. *See* Section 15.8 of the PPA. Movants knew and understood that the Development Period Credit Support would be due within 30 days of execution. At the time of execution Movants should have been in a position to know whether the funding necessary was available to satisfy this key term of the PPA. Movants now seek to use the Commission's time for review, plus an additional 30 days after issuance of a future order on the Movants' Request for Modification, as added time to secure financing for the Development Period Credit Support.

As stated above, SCE&G recently filed the PPA with this Commission. The Commission reviewed the terms and conditions of the PPA within the last 30 days and accepted it for filing. As the Commission no doubt concluded during its review, the terms and conditions of the PPA are standard and reflect a product that was freely entered into by two sophisticated parties. The terms of the PPA and Section 9.3(a) in particular are clear. Movants have pled no facts and asserted no arguments to the contrary. It would not be in the public interest to allow a party to execute an agreement, file it with this Commission, and then within a matter of days seek to rewrite the terms of the contract to avoid the clear and unambiguous terms to which it agreed only a matter of days prior.

CONCLUSION

For the reasons stated above, Movants' Motion to Maintain Status Quo should be denied.

Respectfully Submitted,



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***Attorneys for South Carolina Electric &  
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Cayce, South Carolina  
May 21, 2018

**BEFORE THE  
PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA  
DOCKET NO. 2018-163-E**

SolAmerica SC, LLC and Edgefield County )  
S1, LLC - Request for Modification of an ) South Carolina Electric & Gas  
Interconnection Agreement for Solar ) Company's Response in Opposition  
Project located in Edgefield County, South ) to Request for Modification  
Carolina )

Requesters SolAmerica SC, LLC and Edgefield County S1, LLC (collectively “Requesters” or the “Solar Developers”) entered into an Interconnection Agreement (“IA” or “Agreement”) with South Carolina Electric & Gas Company (“SCE&G”) on October 4, 2016, and a Power Purchase Agreement (“PPA”) on April 9, 2018. Pursuant to Appendix 4 of the IA, Requesters’ Requested Interconnection Facilities In-Service Date was December 8, 2017. On September 8, 2017, Requesters requested and received an extension of the In-Service Date to June 30, 2018, for additional time to complete Milestone 4, among other things. As the June 30th deadline approached, Requesters recently approached SCE&G requesting a second extension, and SCE&G participated in initial discussions regarding the requested extension. Ultimately, however, SCE&G was unwilling to agree to a second, almost 15-month extension to September 23, 2019, and Requesters filed the instant Request for Modification. A further extension is not mandated or warranted under the IA and would not be fair to others with later interconnection queue positions.

Pursuant to 10 S.C. Code Ann. Regs. § 103-829(A) and other applicable rules of practice and procedure of the Public Service Commission of South Carolina (“Commission”), SCE&G responds in opposition to Requestors’ Request for Modification, filed on May 9, 2018 (“Request

for Modification” or “Request”). SCE&G respectfully requests that the Request be denied for the reasons explained below.

### **BACKGROUND**

Requestors executed the standard South Carolina Interconnection Agreement with SCE&G on October 4, 2016, to receive interconnection service for a 10 MW solar generating facility it planned to construct. A copy of the IA is attached hereto as Exhibit 1 and incorporated herein. Requestors indicated that the generation facility would be a Qualifying Facility (“QF”) as defined by Federal Energy Regulatory Commission (“FERC”) Regulation 18 C.F.R. § 292.204. See Exhibit 1 at Appendix 4, “Milestones,” which details “critical” construction milestones and responsibilities “as agreed to by the Parties.”

Pursuant to Appendix 4, Requestors’ Requested Interconnection Facilities In-Service Date was December 8, 2017. *Id.* Requestors made both Milestone payments under Appendix 4. Requestors did not, however, complete Milestone 4, clearing for utility facilities and grading, by October 17, 2017. On September 8, 2017, Requestors requested and received an extension of the In-Service Date to June 30, 2018, for additional time to complete Milestone 4, among other things. As the June 30th deadline approached, Requestors recently approached SCE&G requesting a second extension, and SCE&G participated in initial discussions regarding the requested extension. Ultimately, however, SCE&G was unwilling to agree to a second, almost 15-month extension to September 23, 2019, and Requestors filed the instant Request. To date, Requestors still have failed to complete Milestone 4, clear and grade the site, as well as the other Milestones.

SCE&G has performed all of the obligations it can under Appendix 4. SCE&G has completed and installed upgrades to its distribution system that are required to interconnect Requestors’ facility. The remaining item for SCE&G to complete is the installation of interconnection assets, but it cannot complete this work due to Requestors’ failure to simply clear

and grade the site. Requestors did not meet the initial deadline to clear the site, likely will not meet the extended deadline, and now want another extension to complete this task.

Requestors negotiated the IA with employees of SCE&G-Transmission. The Vice President of SCE&G-Transmission signed the IA with Requestors. Requestors, with full knowledge of the terms and conditions of the IA, including the Milestones under the extended deadline, recently negotiated a PPA with employees of SCE&G who reside outside of and are separate from SCE&G's Transmission department. Though Requestors apparently now desire 'aligned timelines' between the IA and PPA, Requestors did not attempt to negotiate those timelines in the PPA which was executed slightly over a month ago.

Requestors, at a late stage before the current June 30th In-Service due date, have now filed a request to modify the IA to allow for a second extension of time in addition to the one they received on September 8, 2017. In making this Request, Requestors wrongly attempt to link their failure to perform under the IA as the reason they failed to perform under their recently executed PPA.<sup>1</sup>

### **ARGUMENT**

Requestors seek to amend their IA pursuant to Section 12.12 of the Agreement which gives either Party the right to make a unilateral filing with the Commission to modify this Agreement with respect to any rates, terms and conditions, charges, or classifications of service. This modification should be denied based on the plain language of the IA because the extension will impact others in the queue and seeks attainment of a Milestone that was previously delayed, and because Requestors' delay is intentional or unwarranted.

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<sup>1</sup> See SCE&G's Response in Opposition to Motion to Maintain Status Quo filed in this docket on even date herewith.



While the IA allows for amendment under Section 12.12, this must be read in connection with Section 6.2, Milestones, which puts limits on when Milestones may be extended including when a prior extension has been provided. Section 6.2 provides:

The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless (1) it will suffer significant uncompensated economic or operational harm from the delay, (2) the delay will materially **affect the schedule of another Interconnection Customer** with subordinate Queue Position, (3) **attainment of the same milestone has previously been delayed**, or (4) it has reason to believe that **the delay in meeting the milestone is intentional or unwarranted** notwithstanding the circumstances explained by the Party proposing the amendment.

(emphasis added)

Section 6.2 also requires that the Requestors “immediately notify [SCE&G] of the reason(s) for not meeting the milestone” and propose the earliest date by which it can meet the Milestone. Through the IA, amendment and extensions of Milestones is a managed process which must be done with the least impact to the in-service deadline.

*a. Further delay may impact other Interconnection Customers*

The intent and language of the IA, adopted from the South Carolina Interconnection Procedure and Agreement, is to appropriately balance the needs of Interconnecting Customers, Utilities and the public interest, to prevent disparate treatment of others in the queue and to alleviate queue congestion. It requires both parties to move forward in good faith and prevents one party from benefiting from no action. Therefore, extensions of Milestones must be noted early and cause the least amount of delay possible—not twice requested with no effort to start to address the Milestone as in the case of Requestors. Indeed, in similar circumstances, the Federal Energy Regulatory Commission noted that extensions of Milestones may present harm to later queued interconnection customers in the form of uncertainty, cascading restudies, and shifted costs necessitated if the project is removed from the queue at a later date. *See, e.g., Midcontinent Indep.*

*Sys. Operator, Inc.*, 147 FERC ¶ 61,198, 62,108 (2014) (stating the Commission's goal of "discouraging speculative or unviable projects from entering the queue [and] getting projects that are not making progress toward commercial operation out of the queue").

SCE&G has moved forward under the IA and discharged its obligations. SCE&G has also worked with Requestors to provide an extension of the Milestones. However, SCE&G cannot continue to grant repeated and continued extensions for Milestone 4 and the other Milestones where it can cause harm to other later queued customers. SCE&G administers its queue in a comparable, non-discriminatory manner and cannot bestow preferential treatment and grant an extension where the IA itself does not envision the grant of an extension. Granting Requestors' Request is not warranted and not fair to later queued customers.

*b. Requestors seeks extension of a Milestone it previously had extended*

As noted above, Requestors have previously sought and received an extension of all Milestones, including Milestone 4. Thus, this extension is directly addressed in Section 6.2, "attainment of the same milestone has previously been delayed." Despite SCE&G's providing an extension of more than seven months, Requestors have not even started to accomplish Milestone 4. As stated above, Milestone 4 is a simple and discrete task. Yet, Requestors have not even started this task and provide no explanation for their failure.

*c. Requestors' failure to meet Milestone 4 is intentional or unwarranted*

The Request for Modification does not sufficiently set forth the reasons that Requestors failed to complete Milestone 4 or the other Milestones by the extended date. Requestors argue that concerns about tariffs on solar modules, market conditions, and temporary and recent lease

conditions purportedly created uncertainty and an extension is therefore warranted.<sup>2</sup> While these explanations suggest the speculative nature of this project, these conditions do not explain Requestors' failure to even clear and grade the site over one and a half years. The tasks that Requestors do list in their Request for Modification, such as obtaining tax abatement from Edgefield County, are preliminary tasks that are often performed prior to obtaining an IA and are tasks that are not referenced in the IA. In short, they do not demonstrate how Requestors moved forward diligently on the Milestones for this project. Rather, this situation also appears to fall clearly under Section 6.2 as SCE&G has reason to believe that "the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment."

Requestors correctly acknowledge, however, that SCE&G has completed its obligations under the IA, despite the purported uncertainties cited by Requestors. Indeed, SCE&G continued to move forward with the remaining items of the interconnection until their efforts were halted by Requestors' continued failure to complete Milestone 4, site clearing and grading. Thus, to be clear, Requestors' desire for a second extension, including an extension of Milestone 4, is in no way based on any delay or failure by SCE&G.

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<sup>2</sup> Requestors' only other stated basis for a second extension of the Milestones is to align the terms of the IA with the PPA. Requestors executed the PPA thirty (30) days prior to filing the Request. To the extent Requestors wanted to coordinate the timelines of the two documents, it could have done so 30 days ago during its negotiations with SCE&G. Both documents are separate agreements and state as such in their terms. Under Section 12.5 of the IA, the agreement "constitutes the entire agreement between the Parties...[and] [t]here are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement."

**CONCLUSION**

For the reasons set forth above, Requestors' Request for Modification should be denied.

Respectfully Submitted,



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Cayce, South Carolina  
May 21, 2018

**SOUTH CAROLINA**  
**GENERATOR INTERCONNECTION AGREEMENT**

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This Interconnection Agreement ("Agreement") is made and entered into this 11 day of DC, 2016, by South Carolina Electric & Gas Company ("Utility"), and SolAmerica SC, LLC ("Interconnection Customer") each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties."

#### Utility Information

Utility: South Carolina Electric & Gas Company

Attention: Manager – Electric Transmission Support

Address: 220 Operation Way, Mail Code J36

City: Cayce State: SC Zip: 29033

Phone: 803-217-2175 Fax: 803-933-7046

Email: ElectricTransmission@seana.com

#### Interconnection Customer Information

Interconnection Customer: SolAmerica SC, LLC

Attention: George N. Mori

Address: 1819 Peachtree Road, Suite 100

City: Atlanta State: GA Zip: 30309

Phone: 404-351-8175 Other: 404-351-8175

Email: gmori@solamericaenergy.com

Interconnection Request ID No: 20151106002

In consideration of the mutual covenants set forth herein, the Parties agree as follows:



## Article 1. **Scope and Limitations of Agreement**

### 1.1 Applicability

This Agreement shall be used for all Interconnection Requests submitted under the South Carolina Generator Interconnection Procedures except for those submitted under the 20 kW Inverter Process in Section 2 of the Standard.

### 1.2 Purpose

This Agreement governs the terms and conditions under which the Interconnection Customer's Generating Facility will interconnect with, and operate in parallel with, the Utility's System.

### 1.3 No Agreement to Purchase or Deliver Power or RECs

This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power or Renewable Energy Certificates (RECs). The purchase or delivery of power, RECs that might result from the operation of the Generating Facility, and other services that the Interconnection Customer may require will be covered under separate agreements, if any. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity with the applicable Utility.

### 1.4 Limitations

Nothing in this Agreement is intended to affect any other agreement between the Utility and the Interconnection Customer.

### 1.5 Responsibilities of the Parties

1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.

1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with this Agreement, and with Good Utility Practice.

- 1.5.3 The Utility shall construct, operate, and maintain its System and Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.
- 1.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, National Electrical Code, the American National Standards Institute, IEEE, Underwriters' Laboratories, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the System or equipment of the Utility and any Affected Systems.
- 1.5.5 Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Appendices to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership. The Utility and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Utility's System, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Appendices to this Agreement.
- 1.5.6 The Utility shall coordinate with all Affected Systems to support the interconnection.
- 1.5.7 The Interconnection Customer is responsible for reviewing the NERC registration requirements, registering when applicable and complying with the applicable Electric Reliability Organization (ERO) reliability standards.

1.6 Disconnect Switch Required

The Interconnection Customer shall install a manual load-break disconnect switch or safety switch as a clear visible indication of switch position between the Utility System and the Interconnection Customer. The switch must have padlock provisions for locking in the open position. The switch must be visible to, and accessible to Utility personnel. The switch must be in visible sight of where the Utilities' interconnection facilities meet the

Interconnection Customer's facilities. The switch must be labeled "Generator Disconnect Switch." The switch may isolate the Interconnection Customer and its associated load from the Utility's System or disconnect only the Generator from the Utility's System and shall be accessible to the Utility at all times. The Utility, in its sole discretion, determines if the switch is suitable.

#### 1.7 Parallel Operation Obligations

Once the Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Generating Facility in the applicable control area, including, but not limited to: 1) any rules and procedures concerning the operation of generation set forth in Commission-approved tariffs or by the applicable system operator(s) for the Utility's System and; 2) the Operating Requirements set forth in Appendix 5 of this Agreement.

#### 1.8 Metering

The Interconnection Customer shall be responsible for the Utility's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Appendices 2 and 3 of this Agreement. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

#### 1.9 Reactive Power

1.9.1 The Interconnection Customer shall design its Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Utility has established different requirements that apply to all similarly situated generators in the control area on a comparable basis. The requirements of this paragraph shall not apply to wind generators.

1.9.2 The Utility is required to pay the Interconnection Customer for reactive power that the Interconnection Customer provides or absorbs from the Generating Facility when the Utility requests the Interconnection Customer to operate its Generating Facility outside the range specified in Article 1.8.1 or the range established by the Utility that applies to all similarly situated generators in the control area. In addition, if the Utility pays its own or affiliated generators for reactive power service within the specified range, it must also pay the Interconnection Customer.

1.9.3 Payments shall be in accordance with the Utility's applicable rate schedule then in effect unless the provision of such service(s) is subject to a regional transmission organization or independent system operator FERC-approved rate schedule. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb reactive power under this Agreement, the Parties agree to expeditiously file such rate schedule and agree to support any request for waiver of any prior notice requirement in order to compensate the Interconnection Customer from the time service commenced.

1.10 Capitalized Terms

Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 of the South Carolina Generator Interconnection Procedures or the body of this Agreement.

**Article 2. Inspection, Testing, Authorization, and Right of Access**

2.1 Equipment Testing and Inspection

2.1.1 The Interconnection Customer shall test and inspect its Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify the Utility of such activities no fewer than ten (10) Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day, unless otherwise agreed to by the Parties. The Utility may, at the Interconnection Customer's expense, send qualified personnel to the Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the Utility a written test report when such testing and inspection is completed.

2.1.2 The Utility shall provide the Interconnection Customer written acknowledgment that it has received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Utility of the safety, durability, suitability, or reliability of the Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Generating Facility. If determined necessary by the Utility for safe and reliable operation of the Interconnection Facilities and/or Generating Facility, the Utility may also initiate its own inspection and testing activities at the Interconnection Customer's expense prior to authorizing parallel operation of the Generating Facility.

## 2.2 Authorization Required Prior to Parallel Operation

- 2.2.1 The Utility shall use Reasonable Efforts to list applicable parallel operation requirements in Appendix 5 of this Agreement. Additionally, the Utility shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Utility shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.
- 2.2.2 The Interconnection Customer shall not operate its Generating Facility in parallel with the Utility's System without prior written authorization of the Utility. The Utility will provide such authorization once the Utility receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements, including but not limited to additional Operating Requirements presented in Appendix 5 of this Agreement. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

## 2.3 Right of Access

- 2.3.1 Upon reasonable notice, the Utility may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Generating Facility (including any required testing), startup, and operation for a period of up to three (3) Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify the Utility at least five (5) Business Days prior to conducting any on-site verification testing of the Generating Facility.
- 2.3.2 Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Utility shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.
- 2.3.3 Each Party shall be responsible for its own costs associated with following this Article.

**Article 3. Effective Date, Term, Termination, and Disconnection**

**3.1 Effective Date**

This Agreement shall become effective upon execution by the Parties.

**3.2 Term of Agreement**

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of ten (10) years from the Effective Date or such other longer period as the Interconnection Customer may request and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with Article 3.3 of this Agreement.

**3.3 Termination**

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination.

3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving the Utility 20 Business Days written notice and physically and permanently disconnecting the Generating Facility from the Utility's System.

3.3.2 The Utility may terminate this Agreement for failure to comply with the requirements of Article 7.1.2 or Article 7.1.3.

3.3.3 Either Party may terminate this Agreement after Default pursuant to Article 7.6.

3.3.4 Upon termination of this Agreement, the Generating Facility will be disconnected from the Utility's System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this Agreement or such non-terminating Party otherwise is responsible for these costs under this Agreement.

3.3.5 The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination, including any remaining term requirements for payment of Charges that are billed under a monthly payment option as prescribed in Article 6.

3.3.6 The provisions of this article shall survive termination or expiration of this Agreement.

### 3.4 Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

#### 3.4.1 Isolating or Disconnecting the Generating Facility

The Utility may isolate the Interconnection Customer's premises and/or Generating Facility from the Utility's System when necessary in order to construct, install, repair, replace, remove, investigate or inspect any of the Utility's equipment or part of Utility's System; or if the Utility determines that isolation of the Interconnection Customer's premises and/or Generating Facility from the Utility's System is necessary because of emergencies, forced outages, force majeure or compliance with prudent electrical practices. Whenever feasible, the Utility shall give the Interconnection Customer reasonable notice of the isolation of the Interconnection Customer's premises and/or Generating Facility from the Utility's System.

Notwithstanding any other provision of this Agreement, if at any time the Utility determines that the continued operation of the Generating Facility may endanger either (1) the Utility's personnel or other persons or property or (2) the integrity or safety of the Utility's System, or otherwise cause unacceptable power quality problems for other electric consumers, the Utility shall have the right to isolate the Interconnection Customer's premises and/or Generating Facility from the Utility's System.

#### 3.4.2 Emergency Conditions

Under Emergency Conditions, the Utility may immediately suspend interconnection service and temporarily disconnect the Generating Facility. The Utility shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Generating Facility. The Interconnection Customer shall notify the Utility promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Utility's System or any Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of both Parties' facilities and operations, its anticipated duration, and the necessary corrective action.

#### 3.4.3 Routine Maintenance, Construction, and Repair

The Utility may interrupt interconnection service or curtail the output of the Generating Facility and temporarily disconnect the Generating Facility from the Utility's System when necessary for routine maintenance, construction, and repairs on the Utility's System. The Utility shall make best efforts to provide the Interconnection Customer reasonable notice prior to such interruption. The Utility shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer.

#### 3.4.4 Forced Outages

During any forced outage, the Utility may suspend interconnection service to effect immediate repairs on the Utility's System. The Utility shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the Utility shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

#### 3.4.5 Adverse Operating Effects

The Utility shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Generating Facility could cause damage to the Utility's System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, the Utility may disconnect the Generating Facility. The Utility shall make best efforts to provide the Interconnection Customer reasonable notice of such disconnection, unless the provisions of Article 3.4.1 apply.

#### 3.4.6 Failure to Maintain Compliance with Operating Requirements

The Utility may disconnect from the Utility's System any Generating Facility determined to be malfunctioning, or not in compliance with this Standard or Operating Requirements. The Interconnection Customer must provide proof of compliance with this Agreement or



Operating Requirements before the Generating Facility will be reconnected.

**3.4.7 Modification of the Generating Facility**

The Interconnection Customer must receive written authorization from the Utility before making any Material Modification or any other change to the Generating Facility that may have a material impact on the safety or reliability of the Utility's System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without the Utility's prior written authorization, the latter shall have the right to temporarily disconnect the Generating Facility.

**3.4.8 Reconnection**

The Parties shall cooperate with each other to restore the Generating Facility, Interconnection Facilities, and the Utility's System to their normal operating state as soon as reasonably practicable following a temporary or emergency disconnection.

**Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades**

**4.1 Interconnection Facilities**

4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Appendix 2 of this Agreement. The Utility shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, and the Utility.

4.1.2 The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Utility's Interconnection Facilities.

**4.2 Distribution Upgrades**

The Utility shall design, procure, construct, install, and own the Distribution Upgrades described in Appendix 6 of this Agreement. The actual cost of the

Distribution Upgrades, including overheads, on-going operations, maintenance, repair, and replacement, shall be directly assigned to the Interconnection Customer.

#### **Article 5. Cost Responsibility for Network Upgrades**

##### **5.1 Applicability**

No portion of this Article 5 shall apply unless the interconnection of the Generating Facility requires Network Upgrades.

##### **5.2 Network Upgrades**

The Utility shall design, procure, construct, install, and own the Network Upgrades described in Appendix 6 of this Agreement. The cost of the Network Upgrades, including overheads, on-going operations, maintenance, repair, and replacement shall be borne by the Interconnection Customer.

#### **Article 6. Billing, Payment, Milestones, and Financial Security**

##### **6.1 Billing and Payment Procedures and Final Accounting**

The Interconnection Customer shall pay 100% of required Interconnection Facilities, and any other charges as required in Appendix 2 pursuant to the milestones specified in Appendix 4. The Interconnection Customer shall pay 100% of required Upgrades and any other charges as required in Appendix 6 pursuant to the milestones specified in Appendix 4. Upon receipt of 100% of the foregoing pre-payment charges, the payment is not refundable due to cancellation of the Interconnection Request for any reason.

6.1.1 If implemented by the Utility or requested by the Interconnection Customer in writing within 15 Business Days of the Utility completing the construction and installation of the Utility's Interconnection Facilities and/or Upgrades described in the Appendices to this Agreement, the Utility shall provide the Interconnection Customer a final accounting report within 60 Business Days addressing any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the Utility for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Utility shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Utility within 20 Business Days. If the Interconnection Customer's previous aggregate payments exceed its cost

responsibility under this Agreement, the Utility shall refund to the Interconnection Customer an amount equal to the difference within 20 Business Days of the final accounting report. If necessary and appropriate as a result of the final accounting, the Utility may also adjust the monthly charges set forth in Appendix 2 of the Interconnection Agreement.

- 6.1.2 The Utility shall bill the Interconnection Customer for the costs associated with operating, maintaining, repairing and replacing the Utility's System Upgrades, as set forth in Appendix 6 of this Agreement. The Utility shall bill the Interconnection Customer for the costs of commissioning and inspection of the Interconnection Customer's Interconnection Facilities and for providing the Utility's Interconnection Facilities including the costs for on-going operations, maintenance, repair and replacement of the Utility's Interconnection Facilities under a Utility rate schedule, tariff, rider or service regulation providing for extra facilities or additional facilities charges, as set forth in Appendix 2 of this Agreement, such monthly charges to continue throughout the entire life of the interconnection.

## 6.2 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Appendix 4 of this Agreement. A Party's obligations under this provision may be extended by agreement, except for timing for Payment or Financial Security-related requirements set forth in the milestones, which shall adhere to Section 5.2.4 of the Standards. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) request appropriate amendments to Appendix 4. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless (1) it will suffer significant uncompensated economic or operational harm from the delay, (2) the delay will materially affect the schedule of another Interconnection Customer with subordinate Queue Position, (3) attainment of the same milestone has previously been delayed, or (4) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

## 6.3 Financial Security Arrangements

Pursuant to the Interconnection Agreement Milestones Appendix 4, the Interconnection Customer shall provide the Utility a letter of credit or other financial security arrangement that is reasonably acceptable to the Utility

and is consistent with the Uniform Commercial Code of South Carolina. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the Utility's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the Utility under this Agreement during its term. In addition:

- 6.3.1 The guarantee must be made by an entity that meets the creditworthiness requirements of the Utility, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.
- 6.3.2 The letter of credit must be issued by a financial institution or insurer reasonably acceptable to the Utility and must specify a reasonable expiration date.
- 6.3.3 The Utility may waive the security requirements if its credit policies show that the financial risks involved are de minimus, or if the Utility's policies allow the acceptance of an alternative showing of creditworthiness from the Interconnection Customer.

**Article 7...      Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default**

**7.1      Assignment**

- 7.1.1 The Interconnection Customer shall notify the Utility of the pending sale of an existing Generation Facility in writing. The Interconnection Customer shall provide the Utility with information regarding whether the sale is a change of ownership of the Generation Facility to a new legal entity, or a change of control of the existing legal entity.
- 7.1.2 The Interconnection Customer shall promptly notify the Utility of the final date of sale and transfer date of ownership in writing. The purchaser of the Generation Facility shall confirm to the Utility the final date of sale and transfer date of ownership in writing
- 7.1.3 This Agreement shall not survive the transfer of ownership of the Generating Facility to a new legal entity owner. The new owner must complete a new Interconnection Request and submit it to the Utility within 20 Business Days of the transfer of ownership or the Utility's Interconnection Facilities shall be removed or disabled and the Generating Facility disconnected from the Utility's System. The Utility shall not study or inspect the Generating Facility unless the new

owner's Interconnection Request indicates that a Material Modification has occurred or is proposed.

7.1.4 This Agreement shall survive a change of control of the Generating Facility' legal entity owner, where only the contact information in the Interconnection Agreement must be modified. The new owner must complete a new Interconnection Request and submit it to the Utility within 20 Business Days of the change of control and provide the new contact information. The Utility shall not study or inspect the Generating Facility unless the new owner's Interconnection Request indicates that a Material Modification has occurred or is proposed.

7.1.5 The Interconnection Customer shall have the right to assign this Agreement, without the consent of the Utility, for collateral security purposes to aid in providing financing for the Generating Facility, provided that the Interconnection Customer will promptly notify the Utility of any such assignment. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof.

7.1.6 Any attempted assignment that violates this article is void and ineffective.

## 7.2 Limitation of Liability

Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, incidental, consequential, or punitive damages of any kind, except as authorized by this Agreement.

## 7.3 Indemnity

7.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in Article 7.2.

7.3.2 The Parties shall at all times indemnify, defend, and save the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or

inaction of its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

- 7.3.3 If an indemnified Party is entitled to indemnification under this Article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this Article, to assume the defense of such claim, such indemnified Party may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.
- 7.3.4 If an indemnifying Party is obligated to indemnify and hold any indemnified Party harmless under this Article, the amount owing to the indemnified Party shall be the amount of such indemnified Party's actual loss, net of any insurance or other recovery.
- 7.3.5 Promptly after receipt by an indemnified Party of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this Article may apply, the indemnified Party shall notify the indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying Party.

#### 7.4 Consequential Damages

Other than as expressly provided for in this Agreement, neither Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

#### 7.5 Force Majeure

- 7.5.1 As used in this article, a Force Majeure Event shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or

any other cause beyond a Party's control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing.

7.5.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event (Affected Party) shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

#### 7.6 Default

7.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money or provision of Financial Security) is the result of a Force Majeure Event as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in Article 7.6.2, the defaulting Party shall have five (5) Business Days from receipt of the Default notice within which to cure such Default.

7.6.2 If a Default is not cured as provided in this Article, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

#### Article 8. **Insurance**

8.1 The Interconnection Customer shall obtain and retain, for as long as the Generating Facility is interconnected with the Utility's System, liability insurance which protects the Interconnection Customer from claims for bodily injury and/or property damage. The amount of such insurance shall

be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. This insurance shall be primary for all purposes. The Interconnection Customer shall provide certificates evidencing this coverage as required by the Utility. Such insurance shall be obtained from an insurance provider authorized to do business in South Carolina. The Utility reserves the right to refuse to establish or continue the interconnection of the Generating Facility with the Utility's System, if such insurance is not in effect.

- 8.1.1 For an Interconnection Customer that is a residential customer of the Utility proposing to interconnect a Generating Facility no larger than 250 kW, the required coverage shall be a standard homeowner's insurance policy with liability coverage in the amount of at least \$100,000 per occurrence.
- 8.1.2 For an Interconnection Customer that is a non-residential customer of the Utility proposing to interconnect a Generating Facility no larger than 250 kW, the required coverage shall be comprehensive general liability insurance with coverage in the amount of at least \$300,000 per occurrence.
- 8.1.3 For an Interconnection Customer that is a non-residential customer of the Utility proposing to interconnect a Generating Facility greater than 250 kW, the required coverage shall be comprehensive general liability insurance with coverage in the amount of at least \$1,000,000 per occurrence.
- 8.1.4 An Interconnection Customer of sufficient credit-worthiness may propose to provide this insurance via a self-insurance program if it has a self-insurance program established in accordance with commercially acceptable risk management practices, and such a proposal shall not be unreasonably rejected.
- 8.2 The Utility agrees to maintain general liability insurance or self-insurance consistent with the Utility's commercial practice. Such insurance or self-insurance shall not exclude coverage for the Utility's liabilities undertaken pursuant to this Agreement.
- 8.3 The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.



Article 9. **Confidentiality**

- 9.1 Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.
- 9.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.
- 9.1.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.
- 9.1.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.
- 9.1.3 All information pertaining to a project will be provided to the new owner in the case of a change of control of the existing legal entity or a change of ownership to a new legal entity.
- 9.3 If information is requested by the Commission from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to the Commission within the time provided for in the request for information. In providing the information to the Commission, the Party may request that the information be treated as confidential and non-public in accordance with South Carolina law and that the information be withheld from public disclosure.

**Article 10. Disputes**

- 10.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this Article.
- 10.2 In the event of a dispute, either Party shall provide the other Party with a written notice of dispute. Such notice shall describe in detail the nature of the dispute.
- 10.3 If the dispute has not been resolved within 20 Business Days after receipt of the notice, either Party may contact the Office of Regulatory Staff for assistance in informally resolving the dispute. If the Parties are unable to informally resolve the dispute, either Party may then file a formal complaint with the Commission.
- 10.4 Each Party agrees to conduct all negotiations in good faith.

**Article 11. Taxes**

- 11.1 The Parties agree to follow all applicable tax laws and regulations, consistent with South Carolina and federal policy and revenue requirements.
- 11.2 Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect the Utility's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

**Article 12. Miscellaneous**

**12.1 Governing Law, Regulatory Authority, and Rules**

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the State of South Carolina, without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

**12.2 Amendment**

The Parties may amend this Agreement by a written instrument duly executed by both Parties, or under Article 12.12 of this Agreement.

12.3 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

12.4 Waiver

12.4.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

12.4.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Utility. Any waiver of this Agreement shall, if requested, be provided in writing.

12.5 Entire Agreement

This Agreement, including all Appendices, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

12.6 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

12.7 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter

into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

12.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9 Security Arrangements

Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. All Utilities are expected to meet basic standards for electric system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10 Environmental Releases

Each Party shall notify the other Party, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

12.11 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

12.11.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the

acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Utility be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

12.11.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

12.12 Reservation of Rights

The Utility shall have the right to make a unilateral filing with the Commission ~~to modify this Agreement with respect to any rates, terms and conditions, charges, or classifications of service, and the Interconnection Customer shall have the right to make a unilateral filing with the Commission to modify this Agreement;~~ provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before the Commission in which such modifications may be considered. ~~Nothing in this Agreement shall limit the rights of the Parties except to the extent that the Parties otherwise agree as provided herein.~~

Article 13. **Notices**

13.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement (Notice) shall be deemed properly given if delivered in person, delivered by recognized national courier service, sent by first class mail, postage prepaid, or sent electronically to the person specified below:

If to the Interconnection Customer:

Interconnection Customer: SolAmerica SC, LLC

Attention: George N. Mori

Address: 1819 Peachtree Road, Suite 100

City: Atlanta State: GA Zip: 30309

Phone: 404-351-8175 Other: 404-351-8175

Email: gmori@solamericaenergy.com

If to the Utility:

Utility: South Carolina Electric & Gas Company

Attention: Manager – Electric Transmission Support

Address: 220 Operation Way, Mail Code 136

City: Cayce State: SC Zip: 29033

Phone: 803-217-2175 Fax: 803-933-7046

Email: ElectricTransmission@scana.com

### 13.2 Billing and Payment

Billings and payments shall be sent to the addresses set out below:

If to the Interconnection Customer:

Interconnection Customer: SolAmerica SC, LLC - '-----

Attention: Jon Pinner

Address: 1819 Peachtree Road, Suite 100

City: Atlanta State: GA Zip: 30309

Phone: 404-351-8175 Other: 404-351-8175

Email: jpinner@solamericaenergy.com; payables@solamericaenergy.com

If to the Utility:

Utility: South Carolina Electric & Gas Company

Attention: Manager - Electric Transmission Support

Address: 220 Operation Way, Mail Code J36

City: Cayce State: SC Zip: 29033

Phone: 803-217-2175 Fax: 803-933-7046

Email: ElectricTransmission@seana.com

### 13.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below:

If to the Interconnection Customer:

Interconnection Customer: SolAmerica SC, LLC

Attention: Stan Allen

Address: 1819 Peachtree Road, Suite 100

City: Atlanta State: GA Zip: 30309

Phone: 404-351-8175 Other: 404-351-8175

Email: sallen@solamericaenergy.com

If to the Utility:

Utility: South Carolina Electric & Gas Company

Attention: Manager – Electric Transmission Support

Address: 220 Operation Way, Mail Code J36

City: Cayce State: SC Zip: 29033

Phone: 803-217-2175 Fax: 803-933-7046

Email: ElectricTransmission@scana.com

#### 13.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

Interconnection Customer: SolAmerica SC, LLC

Attention: George N. Mori and Pete Corbett

Address: 1819 Peachtree Road, Suite 100

City: Atlanta State: GA Zip: 30309

Phone: 404-351-8175 Other: 404-351-8175

Email: gmori@solamericaenergy.com; pcorbett@solamericaenergy.com



Utility's Operating Representative:

Utility: South Carolina Electric & Gas Company

Attention: Manager – Electric Transmission Support

Address: 220 Operation Way Mail Code 136

City: Cayce State: SC Zip: 29033

Phone: 803-217-2175 Fax: 803-933-7046

Email: ElectricTransmission@scana.com

**13.5 Changes to the Notice Information**

Either Party may change this information by giving five Business Days written notice prior to the effective date of the change.

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

For the Utility

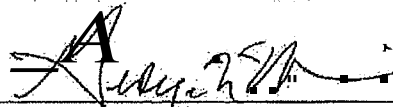
Name: P. Xanthakos

Print Name: Pandelis N. Xanthakos

Title: VP – Electric Transmission

Date: 10/4/16

For the Interconnection Customer

Name: 

Print Name: George N. Mori

Title: Executive Vice President

Date: October 3, 2016

Interconnection Agreement  
Appendix 1

See Glossary of Terms, Attachment 1 to the South Carolina Generator Interconnection Procedures.

For ease of reference, the Glossary of Terms is reproduced herein.

### **Glossary of Terms**

**20 kW Inverter Process** – The procedure for evaluating an Interconnection Request for a certified inverter-based Generating Facility no larger than 20 kW that uses the Section 2 screens. The application process uses an all-in-one document that includes a simplified Interconnection Request Application Form, simplified procedures, and a brief set of Terms and Conditions. (See Attachment 7)

**Affected System** – An electric system other than the Utility's System that may be affected by the proposed interconnection. The owner of an Affected System might be a Party to the Interconnection Agreement or other study agreements needed to interconnect the Generating Facility.

**Applicable Laws and Regulations** – All duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

**Auxiliary Load** – The term "Auxiliary Load" shall mean power used to operate auxiliary equipment in the facility necessary for power generation (such as pumps, blowers, fuel preparation machinery, exciters, etc.).

**Business Day** – Monday through Friday, excluding State Holidays.

**Commission** – The Public Service Commission of South Carolina.

**Default** – The failure of a breaching Party to cure its breach under the Interconnection Agreement.

**Distribution System** – The Utility's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

**Distribution Upgrades** – The additions, modifications, and upgrades to the Utility's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the service necessary to allow the Generating Facility to operate in parallel with the Utility and to inject electricity onto the Utility's System. Distribution Upgrades do not include Interconnection Facilities.

**Emergency Condition** – The term “Emergency Condition” shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the Utility, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Utility’s System, the Utility’s Interconnection Facilities or the systems of others to which the Utility’s System is directly connected; or (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or the Interconnection Customer’s Interconnection Facilities.

**Fast Track Process** – The procedure for evaluating an Interconnection Request for a certified Generating Facility that meets the eligibility requirements of Section 3.1.

**FERC** – The Federal Energy Regulatory Commission.

**Generating Facility** – The Interconnection Customer’s device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer’s Interconnection Facilities.

**Good Utility Practice** – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

**Governmental Authority** – Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Interconnection Customer, the Utility, or any affiliate thereof.

**Interconnection Agreement** – Means the South Carolina Generator Interconnection Agreement (See Attachment 10).

**In-Service Date** – The date upon which the construction of the Utility’s facilities is completed and the facilities are capable of being placed into service.

**Interconnection Customer** – Any valid legal entity, including the Utility, that proposes to interconnect its Generating Facility with the Utility’s System.

**Interconnection Facilities** – Collectively, the Utility’s Interconnection Facilities and the Interconnection Customer’s Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to

physically and electrically interconnect the Generating Facility to the Utility's System. Interconnection Facilities are sole use facilities and shall not include Upgrades.

**Interconnection Facilities Delivery Date** – The Interconnection Facilities Delivery Date shall be the date upon which the Utility's Interconnection Facilities are first made operational for the purposes of receiving power from the Interconnection Customer.

**Interconnection Request** – The Interconnection Customer's request, in accordance with these procedures, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to, an existing Generating Facility that is interconnected with the Utility's System.

**Material Modification** – A modification to machine data or equipment configuration or to the interconnection site of the Generating Facility that has a material impact on the cost, timing or design of any Interconnection Facilities or Upgrades. Material Modifications include project revisions proposed at any time after receiving notification by the Utility of a complete Interconnection Request pursuant to Section 1.3.3 that 1) alters the size or output characteristics of the Generating Facility from its Utility-approved Interconnection Request submission; or 2) may adversely impact other Interconnection Requests with higher Queue Numbers.

Indicia of a Material Modification, include, but are not limited to:

- A change in Point of Interconnection (POI) to a new location, unless the change in a POI is on the same circuit less than two (2) poles away from the original location, and the new POI is within the same protection zone as the original location;
- A change or replacement of generating equipment such as generator(s), inverter(s), transformers, relaying, controls, etc. that is not a direct substitution in size, ratings, impedances, efficiencies or capabilities of the equipment specified in the original or preceding Interconnection Request;
- A change from certified to non-certified devices ("certified" means certified by an OSHA recognized Nationally Recognized Test Laboratory (NRTL), to relevant UL and IEEE standards, authorized to perform tests to such standards);
- A change of transformer connection(s) or grounding from that originally proposed;
- A change to certified inverters with different specifications or different inverter control specifications or set-up than originally proposed;
- An increase of the AC output of a Generating Facility; or
- A change reducing the AC output of the generating facility by more than 10%.

The following are not indicia of a Material Modification:

- A change in ownership of a Generating Facility; the new owner, however, will be required to execute a new Interconnection Agreement and study agreement(s) for any study which has not been completed and the report issued by the Utility.
- A change or replacement of generating equipment such as generator(s), inverter(s), solar panel(s), transformers, relaying, controls, etc. that is a direct

- substitution in size, ratings, impedances, efficiencies or capabilities of the equipment specified in the original or preceding Interconnection Request;
- An increase in the DC/AC ratio that does not increase the maximum AC output capability of the generating facility;
- A decrease in the DC/AC ratio that does not reduce the AC output capability of the generating facility by more than 10%.

**Maximum Physical Export Capability Requested** – The term shall mean the maximum continuous electrical output of the Generating Facility at any time at a power factor of approximately unity as measured at the Point of Interconnection and the maximum kW delivered to the Utility during any metering period.

**Month** – The term "Month" means the period intervening between readings for the purpose of routine billing, such readings usually being taken once per month.

**Nameplate Capacity** – The term "Nameplate Capacity" shall mean the manufacturer's nameplate rated output capability of the generator, based on alternating current (AC). For multi-unit generator facilities, the "Nameplate Capacity" of the facility shall be the sum of the individual manufacturer's nameplate rated output capabilities of the generators. For inverter-based Generating Facilities, the maximum rated capacity or "Nameplate Capacity" shall be the sum of the inverters maximum rated capacity AC in megawatts.

**Net Capacity** – The term "Net Capacity" shall mean the Nameplate Capacity of the Interconnection Customer's generating facilities, less the portion of that capacity needed to serve the Generating Facility's Auxiliary Load.

**Net Power** – The term "Net Power" shall mean the total amount of electric power produced by the Interconnection Customer's Generating Facility less the portion of that power used to supply the Generating Facility's Auxiliary Load.

**Network Resource Interconnection Service** – An Interconnection Service that allows the Interconnection Customer to integrate its Generating Facility with the Utility's System (1) in a manner comparable to that in which the Utility integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

**Network Upgrades** – Additions, modifications, and upgrades to the Utility's Transmission System required to accommodate the interconnection of the Generating Facility to the Utility's System. Network Upgrades do not include Distribution Upgrades.

**Office of Regulatory Staff** – The Office of Regulatory Staff of South Carolina.

**Operating Requirements** – Any operating and technical requirements that may be applicable due to Regional Reliability Organization, Independent System Operator, control area, or the Utility's requirements, including those set forth in the Interconnection Agreement.

**Party or Parties** – The Utility, Interconnection Customer, and possibly the owner of an Affected System, or any combination of the above.

**Point of Interconnection** – The point where the Interconnection Facilities connect with the Utility's System.

**Queue Number** – The number assigned by the Utility that establishes an Interconnection Customer's Interconnection Request's position in the study queue relative to all other valid Interconnection Requests. A lower Queue Number will be studied prior to a higher Queue Number. The Queue Number of each Interconnection Request shall be used to determine the cost responsibility for the Upgrades necessary to accommodate the interconnection.

**Queue Position** – The order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, based on Queue Number.

**Reasonable Efforts** – With respect to an action required to be attempted or taken by a Party under the Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

**South Carolina Generator Interconnection Procedures** – The term "South Carolina Generator Interconnection Procedures" shall refer to the South Carolina Generator Interconnection Procedures, Forms, and Agreements for State-Jurisdictional Generator Interconnections as approved by the Public Service Commission of South Carolina.

**Standard** – The interconnection procedures, forms and agreements approved by the Commission for interconnection of Generating Facilities to Utility Systems in South Carolina.

**Study Process** – The procedure for evaluating an Interconnection Request that includes the Section 4 scoping meeting, system impact study, and facilities study.

**System** – The facilities owned, controlled or operated by the Utility that are used to provide electric service in South Carolina.

**Utility** – The entity that owns, controls, or operates facilities used for providing electric service in South Carolina.

**Transmission System** – The facilities owned, controlled or operated by the Utility that are used to transmit electricity in South Carolina.

**Upgrades** – The required additions and modifications to the Utility's System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

Interconnection Agreement  
Appendix 2

**Description and Costs of the Generating Facility,  
Interconnection Facilities, and Metering Equipment**

Equipment, including the Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer, or the Utility. The Utility will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

Charges for the Interconnection Facilities will begin on the In-Service Date specified in the Milestones in Appendix 4, regardless of whether the Generating Facility is interconnected or generating. If required, the Letter of Credit may be drawn upon to pay for the Interconnection Facilities charges.

SolAmerica SC, LLC (Davis Rd.) ("SolAmerica" or "Facility") is a solar photovoltaic Generating Facility located at 71 Davis Road in Ridge Springs, South Carolina. The Facility represents that it is a Qualifying Facility ("QF") as defined by the FERC Regulation 18 C.F.R. § 292.204. The Facility will comply with FERC Regulation 18 C.F.R. § 292.207 by serving South Carolina Electric & Gas Company ("SCE&G" or "Utility") with either: (1) a copy of the Facility's self-certification of qualifying facility status on Form No. 556; or (2) a copy of the Facility's application for FERC certification of qualifying facility status, which includes a Form No. 556, as well as any supplemental materials the Facility files in the corresponding docket at FERC and any FERC action taken with regard to the application.

The Facility consists of eight 1,250 kVA Power Electronics HEC 1500 Freesun FS1110CU inverters and has a total nameplate capacity of 10,000 kW AC. Each inverter will be programmed such that the maximum allowable output shall not exceed its nameplate kW rating. The Facility will interconnect to the 23.9 kV distribution circuit in the area.

The Interconnection Customer's Interconnection Facilities will include a pole mounted, three phase, gang-operated switch and one span of 477 AAC conductor (three phase plus neutral), as specified in the one-line diagram shown in Appendix 3-B.

The Utility's Interconnection Facilities will include a pole mounted three phase gang switch, a G&W Viper recloser with SEL controls, SCADA equipment (to include an antenna, radios and miscellaneous hardware), primary metering equipment, and a 477 AAC conductor tap to the facility (approximately 150 ft). The equipment and its installation are estimated to cost \$75,451.

The Interconnection Customer will pay to the Utility an Operations and Maintenance Fee each month. This fee will be based on the actual cost of the Interconnection Facilities installed by the Utility and is estimated to be \$115.67 monthly. The Operations and Maintenance Fee will begin upon the in-service date specified in Appendix 4. Additionally, the Operations and Maintenance Fee will be updated and adjusted each year, on June 1<sup>st</sup>, based on the Utility's Formula Rate filing per Attachment H of its Tariff.



The Interconnection Customer will pay the estimated amounts associated with the Utility's Interconnection Facilities and Upgrades for this Agreement as set forth in the Milestones provided in Appendix 4 of this Agreement. Failure to make the payment may result in the termination of the Generator Interconnection Agreement and the withdrawal of the Generator Interconnection Application.

Should the Interconnection Customer terminate this Agreement pursuant to Article 3.3 and cancel its interconnection with and operation on the Utility's System for any reason, either during the initial term or any extension thereof, in addition to any disconnection costs identified in Article 3.3.3, the Interconnection Customer shall pay to the Utility a facilities termination charge equal to (a) the total installed cost of facilities directly assigned to the Interconnection Customer, (b) less any Interconnection Customer contribution to construction, (c) less accumulated depreciation of the facilities funded by the Utility, (d) less salvage value of all facilities directly assigned to the Interconnection Customer, (e) plus the cost of removal (including any associated environmental investigation/remediation costs related to a spill or release of hazardous substances caused by the Interconnection Customer or those paid or incurred by the Utility, which were not the result of negligence on the part of the Utility), all as determined by the Utility in accordance with its standard accounting practices; provided, however, that the termination charge shall not be less than zero. This charge is subject to Article 3.3.4.

The Utility may waive a portion or all of the termination charges where (1) a successor agreement is executed prior to termination of this Agreement, or (2) the Interconnection Customer is able to furnish the Utility with satisfactory evidence that a successor customer will occupy the premises within a reasonable time and contract for substantially the same service facilities. The termination charge above shall not preclude additional termination charges imposed by law.

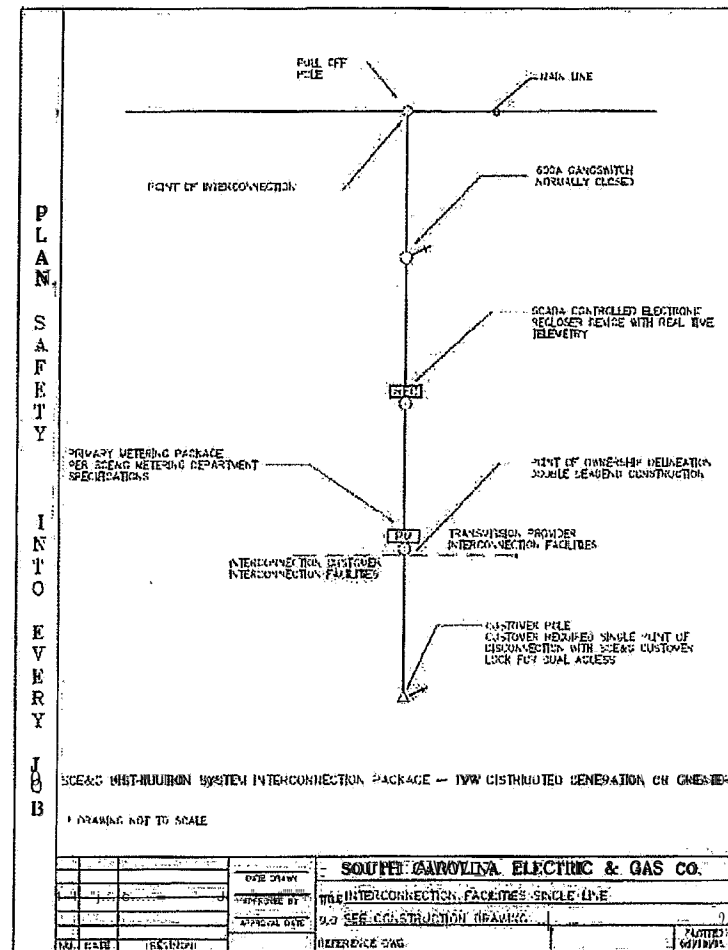
Interconnection Agreement  
Appendix 3

**One-line Diagram Depicting the Generating Facility,  
Interconnection Facilities, Metering Equipment, and Upgrades**

This agreement will incorporate by reference the one-line diagram submitted by the Customer on 12/02/2015, revision dated 12/02/2015, with file name "Appendix 3-A SolAmerica SC, LLC (Davis Rd.) SLD" as part of the Interconnection Request, or as subsequently updated and provided to the Company.

This one-line diagram is provided as Appendix 3-A to this Agreement. In addition, the Interconnection Customer will submit to the Utility an as-built one-line diagram within 30 Business Days of the final inspection by the Utility.

SCE&G Drawing No. D-82186 is provided as Appendix 3-B to this Agreement. The sketch below depicts a simplified one-line diagram of the Interconnection Facilities.



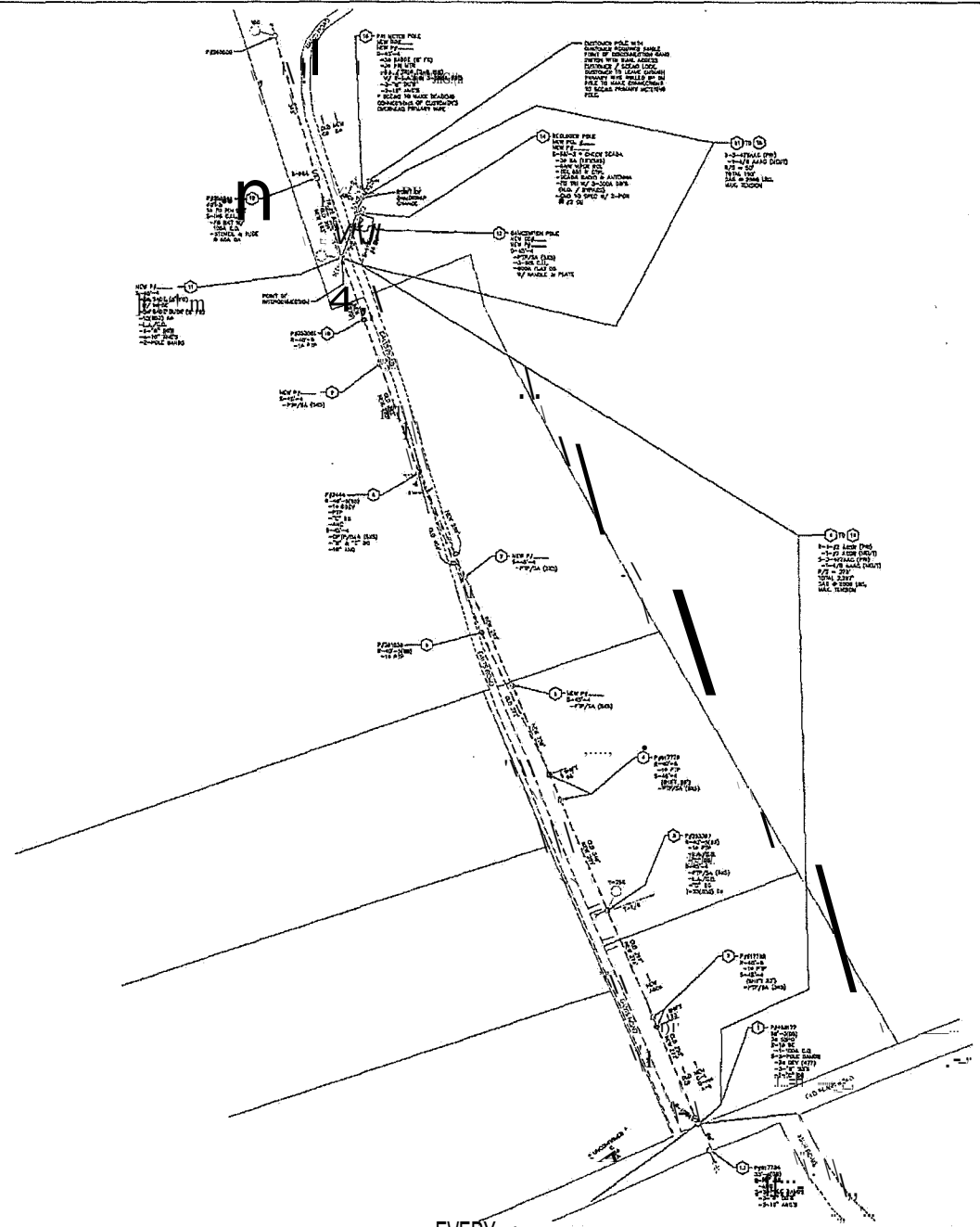
**Appendix 3-A**

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**Appendix 3-B**

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|   |                         |
|---|-------------------------|
| SOUTH CAROLINA ELECTRIC & GAS COMPANY<br>ELECTRIC DISTRIBUTION DIVISION |                         |
| PROJECT INFORMATION   |                         |
| PROJECT NO.   | 10-10000000000000000000 |
| PROJECT NAME  | 10-10000000000000000000 |
| PROJECT LOCATION  | 10-10000000000000000000 |
| PROJECT DATE  | 10-10000000000000000000 |
| PROJECT STATUS  | 10-10000000000000000000 |
| DESIGN INFORMATION  |                         |
| DESIGNER  | 10-10000000000000000000 |
| DESIGN DATE   | 10-10000000000000000000 |
| DESIGN STATUS   | 10-10000000000000000000 |
| REVISION INFORMATION  |                         |
| REVISION NO.  | 10-10000000000000000000 |
| REVISION DATE   | 10-10000000000000000000 |
| REVISION STATUS   | 10-10000000000000000000 |
| APPROVAL INFORMATION  |                         |
| APPROVED BY   | 10-10000000000000000000 |
| APPROVED DATE   | 10-10000000000000000000 |
| APPROVED STATUS   | 10-10000000000000000000 |

|                                   |                         |
|-----------------------------------|-------------------------|
| PRELIMINARY                       |                         |
| SOUTH CAROLINA ELECTRIC & GAS CO. |                         |
| DATE                              | 10-10000000000000000000 |
| TIME                              | 10-10000000000000000000 |
| BY                                | 10-10000000000000000000 |
| FOR                               | 10-10000000000000000000 |
| PROJECT NO.                       | 10-10000000000000000000 |
| PROJECT NAME                      | 10-10000000000000000000 |
| PROJECT LOCATION                  | 10-10000000000000000000 |
| PROJECT DATE                      | 10-10000000000000000000 |
| PROJECT STATUS                    | 10-10000000000000000000 |

PLAN "SAFETY" INTO EVERY JOB

SCNACAD DRAWING GOES TO REVISION MANUALLY

Interconnection Agreement  
Appendix 4

**Milestones**

Requested Upgrade In-Service Date: December 8, 2017

Requested Interconnection Facilities In-Service Date December 8, 2017

Critical milestones and responsibility as agreed to by the Parties:

The build-out schedule does not include contingencies for deployment of Utility personnel to assist in outage restoration efforts on the Utility's system or the systems of other utilities with whom the Utility has a mutual assistance agreement. Consequently, the Requested In-Service Date may be delayed to the extent outage restoration work interrupts the design, procurement and construction of the requested facilities.

|     | Milestone  | Completion Date   | Responsible Party                                  |
|-----|--|-------------------|--|
| (1) | Payfoeht 1 totaling \$75,000 and submit qualifying facility self-certification   | December 8, 2016  | Interconnection Customer                           |
| (2) | Procurement of long-lead time materials and equipment  | December 19, 2016 | Transmission Provider                              |
| (3) | Payment 2 totaling \$177,008.00,   | June 9, 2017      | Interconnection Customer                           |
| (4) | Site of Utility Facilities cleared and loaded  | October 17, 2017  | Interconnection Customer                           |
| (5) | Completion of Interconnection Facilities and Upgrades*   | December 8, 2017  | Transmission Provider and Interconnection Customer |
| (6) | Inspection and Testing*  | December 22, 2017 | Transmission Provider and Interconnection Customer |
| (7) | Interconnection Customer to remedy any items identified by Transmission Provider following completion of inspection and testing* | January 12, 2018  | Interconnection Customer                           |
| (8) | Final inspection and approval for parallel operation*  | January 19, 2018  | Transmission Provider                              |

\*Milestone is contingent on the completion of the preceding milestones.

Agreed to by:

For the Utility

P. Xanthakos

Date

10/4/16

Print Name:

Pandelis N. Xanthakos

For the Interconnection Customer

George N. Mori

Date

Oct. 3, 2016

Print Name:

George N. Mori

**Additional Operating Requirements for the Utility's  
System and Affected Systems Needed to Support  
the Interconnection Customer's Needs**

The Utility shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with the Utility's System. The Interconnection Customer shall maintain compliance with all applicable Operating Requirements during parallel operation with the Utility's System.

1. The Interconnection Customer will be required to obtain an electrical certificate of release from the local inspection authority, provided that the local inspection authority exercises jurisdiction over the Facility, prior to an initial interconnection, which must be submitted to the Utility. Where the local inspection authority declines to exercise jurisdiction over the Facility, the Interconnection Customer must provide Utility a written letter in lieu of inspection executed by the Interconnection Customer and a Professional Engineer or electrical contractor, licensed in the State of South Carolina. The local authority inspection or letter in lieu of inspection must be presented to the Utility in advance of the Utility's inspection and testing of the Interconnection Facilities and Facility.
2. Utility intends to allow the Interconnection Customer to continue normal operation of the Facility when a Hot Line Tag is issued on any distribution feeder protective device. Utility retains the right to implement special settings or relay logic at the interconnection device during Hot Line Tag conditions. Utility also retains the right to require the Interconnection Customer to disconnect the Facility from the Distribution System during Hot Line Tag conditions on any device on the distribution feeder (or an adjacent feeder if a feeder tie condition is in effect) if Utility deems a special condition warrants such action.
3. Utility requires the Interconnection Customer to install a single lockable visible disconnecting means so that the Facility can be isolated from the Distribution System at anytime by Utility personnel if necessary. This device will be placed after the primary metering point, or at a different location specified by the Utility, as part of the Interconnection Customer's Interconnection Facilities. This disconnecting device must be visible, accessible, and operable by Utility personnel 24 hours a day, 7 days a week. All disconnecting devices controllable at the ground level shall have a locking mechanism to allow the Utility's employees to install a pad lock in the open position.
4. Utility will install at the Interconnection Customer's expense a disconnecting device as part of the Utility's Interconnection Facilities to allow for isolation of the Facility during emergency restoration situations. Utility retains the right to disconnect the Facility at anytime Utility deems it necessary to protect its Systems or for safety concerns. The Facility will be reconnected to Utility's Systems once the problem or issue has been corrected or repaired and Utility deems it safe to return to normal configuration.



5. Where Utility has installed and owns an interconnection protection device at the Point of Interconnection, the device will be set to operate with "one shot logic" in order to disconnect the Facility in the case of a fault detected on the generator side of the Point of Interconnection. The device will be set to trip in the case of voltage or frequency fluctuations detected on the Facility side of the device. These threshold settings will be determined and set by the Utility Relay Engineering Department. The Interconnection Facilities will be returned to normal operation upon confirmation by the Interconnection Customer that the fault has been located and either isolated or repaired. The Interconnection Customer will be required to contact Utility and ensure all personnel and equipment are fully prepared to safely reconnect the Generation Facility to the Utility's Systems prior to Utility's Distribution Dispatch Office sending a close signal to the device. Utility retains the right to dispatch Utility personnel to the Facility to inspect the repair or ensure all personnel are in a safe position prior to the protection device being closed.
6. It is the intent of Utility that the Interconnection Customer and Utility work to program relay settings to coordinate the Interconnection Facilities with the Utility's Systems. The coordination will employ a tiered approach such that the relay settings in the inverter units will be coordinated with the Utility protective device which in turn will be coordinated with the Utility's Systems. The Interconnection Customer's equipment will be responsible for protecting the Facility and inversely the Utility protective device will be responsible for protecting the Utility's Systems.
7. Based on Good Utility Practices the Facility will be required to come off line with any voltage or frequency fluctuations outside of the settings thresholds given to the Interconnection Customer by the Utility Relay Engineering Department. The Facility will remain off line until normal voltage and frequency on the Distribution System returns and maintains stability for a minimum of five minutes. This will serve to protect both Utility and the Facility equipment.
8. If a transfer trip scheme is required to be in place, the Interconnection Facilities protection device will disconnect the Facility upon operation of the distribution feeder breaker upon which it has been placed. After the feeder breaker has been re-energized by Utility's Distribution Dispatch Office the associated protection device will be placed back in the closed position and will reconnect the Facility.
9. The required relay settings for the Interconnection Facilities shall be set to match the set points and threshold schemes as determined by Utility's Relay Engineering Department and are project specific based on existing feeder settings and requirements. Utility retains the right to change the required settings of the Interconnection Facilities from time to time as system conditions warrant. In such case, the Utility will contact the Interconnection Customer, specifying the

new setting requirements and the reasons for the necessary programming changes. The Interconnection Customer shall make every effort to complete the programming changes within five Business Days of being notified by Utility personnel.

10. For periodic testing by the Interconnection Customer, the Interconnection Customer shall provide the Utility with a minimum of five Business Days prior to the proposed testing date. Utility retains the right to require the Interconnection Customer to reschedule the testing if necessary. Utility will be allowed to be present and witness this testing at its own option. A copy of the testing results shall be provided to Utility upon completion.
11. The Interconnection Customer is obligated to obtain and/or sign any required rights of way or easements necessary to perform the interconnection with Utility's Systems. Any rights of way that have to be obtained from property owners other than the Interconnection Customer will be obtained and signed over to Utility as directed by Utility's Right of Way department.
12. The Interconnection Customer agrees to adhere to Utility's vegetation management guidelines for all construction and maintenance of Interconnection Facilities.
13. The Interconnection Customer agrees upon execution of this Generator Interconnection Agreement to maintain operation of its Facility so as to not adversely affect other Utility customers associated with the Utility's Systems. If adverse effects directly associated with the Facility become apparent the Interconnection Customer shall be responsible for correcting the situation. This will be accomplished either by additional operating constraints as determined by Utility and the Interconnection Customer, corrections to existing Facility equipment, the addition of new Interconnection Facilities, or system upgrades to the Utility's Systems. These corrective measures will be the financial responsibility of the Interconnection Customer and will be agreed upon in advance by the Interconnection Customer and Utility.
14. The Interconnection Customer will provide the Utility operational and forecast information consistent with Good Utility Practices. Such information will include, but is not limited to, maintenance schedules, availability updates (i.e., forced outages), and generation forecasts. The Parties will agree on frequency and timing of data submittals. Utility also anticipates that the data submittal requirements will change over time as dictated by industry needs and regulations.
15. The Interconnection Customer will, whenever possible consistent with Good Utility Practice, not schedule major maintenance in the months of December, January, February, June, July, August or September.

16. The Interconnection Customer will abide by all applicable reliability standards established by the North American Electric Reliability Corporation ("NERC").
17. Failure of the Interconnection Customer to comply with all the provisions herein can result in Utility determining the possibility of adverse system effects and could result in the disconnection of the Facility from Utility's Systems.
18. The Interconnection Customer shall grant the Utility access to data obtained from the Interconnection Customer's irradiance meters associated with the Facility. Such data, as specified by the Utility, shall be supplied to the Utility by the 5<sup>th</sup> business day of each calendar month.

Interconnection Agreement  
Appendix 6

**Utility's Description of its Upgrades  
and Best Estimate of Upgrade Costs**

The Utility shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Utility shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.

The Utility will own and install Upgrades consisting of substation equipment and relay upgrades to accommodate reverse flow and other distribution system upgrades. The cost of these upgrades is \$176,557.